Nova Scotia Department of Finance

Statement of Mandate

2011-2012

Table of Contents

1.0 Message from the Minister 3

2.0 Mandate, Vision and Mission 4

3.0 Government Priorities 5

4.0 Performance Measures 6

5.0 Budget Context Chart 11

1.0 Message from the Minister

I am pleased to present the 2011-2012 Statement of Mandate for the Department of Finance.

The Department's core business is to manage the Government of Nova Scotia's finances, and provide a sound fiscal framework to support Nova Scotia's priorities. The Department achieves this through its leadership role in establishing and administering the fiscal framework and financial controls of the Province, and through the provision of meaningful and transparent reporting to all Nova Scotians.

2010-2011 was a year of change for Government and all Nova Scotians as we began to implement our plan to bring the Province's finances back to balance, and we will continue that work in 2011-2012.

Responsibility for managing the government's finances also includes a responsibility to provide support and advice to partner departments and entities. The Department assesses and delivers fiscal and economic advice and provides statistical services to help inform decision making across government. The Payroll, Corporate Information Services, Internal Audit, and Government Accounting divisions also provide important services to the public sector, including health and school boards.

Through these activities and responsibilities, the Department supports government across the range of decision making, from day-to-day operations to budget formulation. The Department of Finance relies on the dedication and expertise of its employees to achieve this, and I would like to thank them for their ongoing efforts.

Honourable Graham Steele
Minister of Finance

April , 2011

2.0 Mandate Statement, Mission and Vision

2.1 Mandate Statement

The mandate of the Department of Finance flows primarily from the Finance Act which includes a leadership role in establishing and administering the fiscal framework and financial controls of the Province, and providing meaningful, transparent reporting, including the provincial budget, forecast s and Public Accounts.

The Department assesses and delivers fiscal and economic policy advice on the strategic value of government initiatives, regulates select financial institutions and provides policy oversight to the securities sector. The Department also provides support to all of government through the delivery of statistics, centralized and corporate shared services, and supports the Minister of Finance in overseeing certain crown corporations and agencies, as well as select pension plans for which the Minister has responsibilities.

2.2 Vision

A financially strong province based on sustainable economic development to the benefit of all Nova Scotians.

2.3 Mission

To support a sustainable economy through a sound fiscal framework; financial accountability and transparency; and best practice in financial management processes and systems.

3.0 Government Priorities

1. Get back to balance and ensure government lives within its means

In cooperation with Treasury Board Office, the Department of Finance is leading the Government's efforts to restore balance to the Province's finances.

The research, analysis and consultation that go into the Budget planning process, forecasting, and financial reporting are the foundation of the Government's ability to set fiscal priorities.

The Department's on-going support and assistance to other departments and entities in fiscal, economic and statistical analysis, as well as central client services[1], helps to ensure that the Government's plan is being adhered to on a corporate level.

2. Create good jobs and grow the economy

The Government has created a comprehensive, multi-sector approach to jobs and economic growth through the jobsHere Strategy. The ability to execute the Strategy calls upon many policy and program levers in Government, including tax policy and sound economic and fiscal information.

The Department of Finance's on-going work in areas of economic and fiscal policy will directly support the jobsHere Strategy and the over-arching objective of increased investment and economic growth.

3. Make health care better for you and your family

As steward of the Province's fiscal planning, the Department has and will continue to move forward with the Back to Balance plan to ensure that the economy supports essential services such as health care.

[1] Services include SAP, payroll and payment production, government accounting, audit and statistics.

2011-12 Performance Measures

Outcome #1: Produce a sound fiscal plan with high-level transparency and accountability

OUTCOME (immediate or inter-mediate)	MEASURE	PAST DATA	TARGET 2011-2012	Long term Target	Strategic Actions to achieve target
Produce a sound fiscal plan with high-level transparency and accountability	Credit spread relative to Ontario	2010-11: 1.0 bps 2009-10: 3.0 bps 2008-09: 12 .0 bps 2007-08: 1.1 bps 2006-07: 0.0 bps 2005-06: 0.0 bps 2004-05: 5.0 bps 2003-04: 8.0 bps 2002-03: 14.0 bps 2001-02: 20.0 bps	nil (indicative of rates equal to Ontario)	nil (indicative of rates equal to Ontario)	Maintain debt plan and borrowing program and continue positive relations with investment community
	Credit ratings of major rating agencies	October 2010: - DBRS: "A", stable outlook - S&P: A+ stable, change form positive outlook in January 2009 - Moody's: November 2012, Aa2 stable	Maintain rating	Improve rating	Maintain transparent and positive relationship with rating agencies; assist Government to adopt a sustainable fiscal plan
	Unqualified audit report and timely release of consolidated financial statements	Consolidated financial statements released with unqualified audit report: July 29, 2010 Sept 10, 2009 Aug 5, 2008 Aug 9, 2007 Sept 29, 2006 Sept 25, 2005 Sept 30, 2004	Release with unqualified audit report: on or before September 30, 2011	Release with unqualified audit report: on or before September 30	Advance planning and collaboration with other Departments, Entities and OAG; early problem and work load identification; adherence to PSAB standards

Outcome #2: Government operations adhere to the principle of fiscal prudence and efficiency

OUTCOME (immediate or inter-mediate)	MEASURE	PAST DATA	TARGET 2011-2012	Long term Target	Strategic Actions to achieve target
Government operations adhere to the principle of fiscal prudence and efficiency	Net direct debt to GDP	2010-11: 36.3%* 2009-10: 38.2% 2008-09: 36.2% 2007-08: 36.7% 2006-07: 39.1% 2005-06: 39.2% 2004-05: 41.2% 2003-04: 42.7% 2002-03: 45.1% 2001-02: 46.8% *Forecast	2011-12: 36.6%* *per 2011-12 Budget	2012-13 36.2%* *per 2011-12 Budget	Work with Treasury Board Office on Expenditure Management and revenue forecasts; lead tax policies; oversee pension plans; advise Government on debt levels
Government operations adhere to the principle of fiscal prudence and efficiency	Sustainable pension plans	Funded Ratios as of December 31**: Public Service Plan 2009- 69.3% 2008- 64.1% 2007- 83.5% 2006- 89.6% 2005- 88% 2004- 85.2% 2003- 85.8% **estimate as of November 30, 2010 is 98.1%	Improve funded ratios	100%	The PSSP was approximately fully funded at Dec. 31, 2010. A revised Asset Mix is being implemented. A joint governance structure is under consideration.

Outcome #3: Maximize the efficiency and effectiveness of central client services

OUTCOME (immediate or inter-mediate)	MEASURE	PAST DATA	TARGET 2011-2012	Long term Target	Strategic Actions to achieve target
Maximize the efficiency and effectiveness of central client services	Departments and other government bodies have access to required IT programs to deliver services	2010-11: -SAP upgrade (NSSB & RHA implemented -SAP security redesign implemented -SAP GRC implemented -SAP Business Enhancements (in progress) -NSSB Phase II Enhancements implemented	-New SAP upgrades (enhancement packs) -SAP control audits	On-going improved efficiencies in SAP delivery	Support HASP implementation Continual SAP upgrades SAP security controls improvement SAP GRC operational SAP Business Enhancements implemented
	Number of services centralized and more consistent processes (payment production)	Number of services centralized: 2010/11: 3* 2009/10: 1 2008/09: 4 2007/08: 3 2006/07: 2 2005/06: 1 *provincial public service, pensioners and school board payroll currently housed under separate Payroll Division	Implementation of payment production for Labour Market Development Agreements (clients) in Fall 2011; migrate payment production for court ordered payments from Justice	Continue to centralize and improve efficiency of government-wide payment production	On-going problem resolution and collaboration with client departments to ensure client service delivery Be more efficient through expanded use of electronic payments

OUTCOME (immediate or inter-mediate)	MEASURE	PAST DATA	TARGET 2011-2012	Long term Target	Strategic Actions to achieve target
Maximize the efficiency and effectiveness of central client services	Corporate credit cards: Enhanced risk identification, assessment and management through new policies and procedures (corporate credit cards)	2009/10: Revised policies and procedures created 2010/11: Reviewed by CNS for plain language adherence	Implement revised credit card policies and procedures, and deliver user training	Maintain policies and procedures that maximize controls in use of corporate credit cards	Periodic reviews of credit card policies and procedures; responding to user feedback

Outcome #4: Enhance Department's leadership in identifying and implementing the priorities of Government

OUTCOME ((immediate or inter-mediate)	MEASURE	PAST DATA	TARGET 2011-2012	Long Term Target	Strategic Actions to achieve target
Enhance the Department's leadership role in identifying and implementing the priorities of the Government of Nova Scotia	Positive climate for investment and economic growth- overall personal income, corporate income and capital tax rates	Marginal personal income tax rates at December 31: 2011-10 2009-08 8.79% 8.79% 14.95% 14.95% 16.67% 16.67% 17.50% 17.50% 21.00% Corporate tax rates at December 31: General 2011 2010-08 16% 16% Small Business 2011 2010 -08 4.5% 5% Capital (large non-financial corporations) 2009 2008 0.15% 0.20% 2011 2010 0.05% 0.10%	Reduce Capital Tax to 0.05% Reduce Small Business Rate to 4.0% Indexation of the Poverty Reduction tax Credit and Affordable Living Tax Credit Increase to the basic personal exemption by $250; proportiona l increases to non-	Phase-out of Capital tax by 2012 Provide a tax regime that is competitive	Work with other depart-ments to identify core priorities of government and put in place supportive tax and fiscal practices Continue to monitor Nova Scotians' overall tax levels

			refundable tax credits		

OUTCOME (immediate or inter-mediate)	**MEASURE**	**PAST DATA**	**TARGET 2011-2012**	**Long term Target**	**Strategic Actions to achieve target**
Enhance the Department's leadership role in identifying and implementing the priorities of the Government of Nova Scotia	Fair and affordable auto insurance	Average Earned Premium 2009- $804.37 2008- $808.50 2007- $816.57 2006- $824.58 2005- $865.48 2004- $787.37 2003- $945.41 2002- $799.57	Average Earned Premiums less than $820 for the 2011 calendar year, assuming product consistency.	Fair and affordable auto insurance dependent upon the Auto review changes implemented.	Complete auto insurance review

Outcome #5: Ensure the Department of Finance provides a healthy and supportive workplace

OUTCOME (immediate or inter-mediate)	**MEASURE**	**PAST DATA**	**TARGET 2011-2012**	**Long term Target**	**Strategic Actions to achieve target**
Ensure the Department of Finance provides a healthy and supportive workplace by soliciting staff feedback and delivery of safety training	Staff engagement as measured in "How's Work Going" Survey	Engagement: 2007 = 61.7% 2009 = 75%	Survey takes place every two years; target is to continue to surpass corporate results (DOF 2009 score was 1% above corporate rate)	Continue to surpass corporate rate of engagement	Continue with DOF Healthy Workplace initiatives
	Staff with orientation training in Violence Prevention	2010-11 43 FTEs/17%	100%	Maintain 100% in face of staff turnover	Track participation in training and monitor effectiveness of policy

4.0 Budget Context

Finance			
	2010-2011 Estimate	**2010-2011 Forecast**	**2011-2012 Estimate**
Program & Service Area	($thousands)	($thousands)	($thousands)
Program Expenses:			
Senior Management	4,244	3,969	4,427
Associate Deputy Minister and Controller	23,994	22,696	26,006
Policy and Planning	1,047	882	868
Corporate Services Unit	1,425	1,353	1,449
Fiscal and Economic Policy	3,160	2,960	3,257
Total Program Expenses	33,870	31,860	36,007
Additional Information:			
Fees and Other Charges	(36)	(25)	(26)
Ordinary Recoveries	(3,379)	(3,514)	(3,386)
TCA Purchase Requirements	12,316	12,447	7,346
Provincial Funded Staff (FTEs) Net	243	209	238